

# MISSISSIPPI DIVISION OF MEDICAID

## Eligibility Policy and Procedures Manual

### CHAPTER 300 - Resources

Page | 3341

#### **304.01.05H PENALTY PERIOD**

The number of months of ineligibility for an institutionalized individual shall be equal to:

- The total, cumulative uncompensated value (UV) of all assets transferred by the individual (or individual's spouse) on or after the look back period  
divided by
- The average monthly cost to a private pay patient for nursing facility services in Mississippi. The average private rates are:
  - Effective 02/08/06 ongoing - \$4,600.00
  - From 03/01/03 -- 02/07/06 - \$3,100.00
  - From 04/01/99 -- 02/28/03 - \$2,600.00
  - From 10/01/93 -- 03/31/99 - \$2,000.00

#### **304.01.05I DRA PROVISION - PARTIAL MONTH PENALTY**

Under the DRA, when the amount of the transfer is less than the average monthly cost of nursing facility care, a penalty is imposed for less than a full month. This is called a partial month penalty.

Rounding down or otherwise disregarding any fractional part of an ineligibility period when determining the penalty period is not allowed effective 02/08/06. The average daily per diem of \$151.00 is used in determining the partial month penalty period.

#### **Example**

An individual makes an uncompensated transfer of \$30,534.00 in April 2006. He applies for Medicaid coverage for long-term care services in September 2008. The transfer falls within the 5 year look back period.

Therefore, the uncompensated transfer amount of \$30,534.00 is divided by the average monthly rate of \$4,600.00 and equals 6.64 months. The full 6 month penalty runs from September 1, 2008 (the month eligibility is requested) through February 28, 2009 with a partial month penalty calculated for March 2009. The penalty calculation is as follows:

**Step 1:** \$30,534.00 uncompensated transfer amount divided by \$4,600.00 average monthly private pay rate = 6.64 months in the penalty period.